IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O. O. C. J.

COMPANY PETITION NO.168 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.270 OF 2007

In the matter of reduction of the Securities Premium Account of Kaya Skin Care Limited.

Kaya Skin Care Limited ..Petitioner.

....

Mr. Virag Tulzapurkar i/b Rajesh Shah for the Petitioner.
Mr. C.J. Joy for the Regional Director.

....

CORAM: **DR. D.Y. CHANDRACHUD, J.**

16th April, 2007.

P.C. :

The sanction of the Court is sought to a reduction in the Securities Premium Account in terms of the following Minute:

> "The Securities Premium Account of the Petitioner shall stand reduced by an amount not exceeding Rs.42,47,04,455 (Rupees Forty Two Crores Forty Seven Lacs Four Thousand Four Hundred and Fifty Five only) on account of adjustment of the balance in the Other Assets Account comprising of certain specified fixed assets and debit balance in Profit & Loss Account."

There is an averment in the Petition to the effect that the

proposed reduction in the Securities Premium Account does not involve any financial outlay / outgo on the part of the Petitioner and it is in the nature of a book entry and should not cause any prejudice to the secured and unsecured creditors. Article 149 of the Articles permits such an exercise. A special resolution was passed at the meeting of the shareholders on 8th February, 2007. Both the Regional Director and the Official Liquidator have stated that they have no objection to the proposal. All the requisite statutory compliances have been effected. There being no objection, there is no reason why the reliefs as prayed should not be granted. The Company Petition is made absolute in terms of prayer clauses (a) and (b).